



To: All Community Development Recipients
From: IHFA Community Development Department
Date: February 15, 2005
Re: **Uniform Relocation Act Changes**

Notice: FSP-05-02

The United States Department of Housing and Urban Development (HUD) has enacted changes to the Uniform Relocation Act (URA). All recipients of HUD funds are required to be in compliance with the new rule by February 3, 2005.

The new rule can be downloaded from www.hud.gov/relocation.

The following summarizes the highlights of the new rule:

- URA is triggered by the original intent of the development. An acquisition with federal funds triggers compliance with URA even though the demolition has no federal funds.
- Properties can be acquired above the fair market value if there is documentation the transaction is cost reasonable:
 - Considered an administrative settlement;
 - Takes into consideration the costs of starting over; and
 - Takes into consideration the costs of the condemnation process.
- Clarification of displaced versus relocated:
 - Displaced is permanent – the tenant will not be able to move back into the development.
 - Relocated is temporary – the tenant will eventually be able to move back into the development, however, temporary relocation may need to occur during rehabilitation or other work to the unit.
- Replacement units must be decent, safe and sanitary.
- Notices must be given to tenants in accessible formats. This may include but is not limited to languages other than English, Braille, American Sign Language, etc.
- Any person who is an alien not lawfully present in the United States is not eligible for relocation services and payments.
- Transportation must be offered to tenants to view replacement units.
- Agencies are required to pay out relocation claims as soon as feasible following receipt of sufficient documentation to support the claim.
- Replacement housing payment for an eligible 180-day homeowner occupant may not exceed \$22,500.
- Replacement housing payment for rental assistance may not exceed \$5,250.
- Suitable units are not comparable based on family size.



- Comparable unit can limit unit size to what is allowed by subsidy program if displaced.
- Increases the value of appraisal waiver threshold from \$2,500 to \$10,000 for involuntary sales.
- Agencies are prohibited from proposing or requesting that a displaced person waive their rights or entitlements to relocation assistance and benefits.
- Eviction can not be considered for failure to move or cooperate with relocation process as reason to deny relocation benefits.
- There are three options allowed for payment of moving and related expenses:
 - Fixed moving schedule (Department of Transportation's chart);
 - Hiring a commercial mover; or
 - Reimbursement for actual cost
- Refundable security and utility deposits are ineligible relocation expenses.
- The full amount of the replacement housing payment can be applied to the purchase of a replacement dwelling.
- Eliminates requirement to adjust asking price of comparable replacement dwellings for homeowners.
- Household income inclusions are listed on the website at www.hud.gov/relocation.

All Community Development recipients are strongly encouraged to contact their IHFA Allocation Analyst or Compliance Monitor during predevelopment and/or housing activity planning stages to ensure that relocation is mitigated or minimized. Relocation has the potential to add significant costs to your development. Staff can be reached at (317) 232-7777 or toll-free in Indiana at (800) 872-0371.

